



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

BY U.S. MAIL

DEC 12 2013

Sandra Jackson
c/o Thomas Kirsch, Esq.
Winston & Strawn LLP
35 W. Wacker Lane
Chicago, IL 60601-9703

Re: MUR 6766 (formerly Pre-MUR 554)
Sandra Jackson

Dear Ms. Jackson:

In the normal course of carrying out its supervisory responsibilities, the Federal Election Commission received information suggesting that you may have violated the Federal Election Campaign Act of 1971, as amended (the "Act"). On March 21, 2013, you were notified that the information was being reviewed by the Commission's Office of the General Counsel for possible enforcement action under 2 U.S.C. § 437g. On December 3, 2013, the Commission found reason to believe that you violated 2 U.S.C. § 439a and Commission regulations by diverting campaign committee funds for personal uses. The Commission also found reason to believe that this violation was knowing and willful. I have enclosed the Factual and Legal Analysis that sets forth the basis for the Commission's determination.

You may submit any factual or legal materials that you believe are relevant to the Commission's consideration of this matter. Please submit such materials to the General Counsel's Office within 15 days of receipt of this letter. Where appropriate, statements should be submitted under oath. In the absence of additional information, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation.

If you are interested in pursuing pre-probable cause conciliation, you should so request in writing. See 11 C.F.R. § 111.18(d). Upon receipt of the request, the Office of the General Counsel will make recommendations to the Commission either proposing an agreement in settlement of the matter or recommending declining that pre-probable cause conciliation be pursued. The Office of the General Counsel may recommend that pre-probable cause conciliation not be entered into at this time so that it may complete its investigation of the matter. Further, the Commission will not entertain requests for pre-probable cause conciliation after briefs on probable cause have been mailed to the respondent.

Requests for extensions of time will not be granted routinely. Requests must be made in writing at least five days prior to the due date of the response and specific good cause must be

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demonstrated. In addition, the Office of the General Counsel ordinarily will not give extensions beyond 20 days.

If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed Statement of Designation of Counsel form stating the name, address, and telephone number of your counsel and authorizing your counsel to receive any notifications and other communications from the Commission.

Please note that you have a legal obligation to preserve all documents, records and materials relating to this matter until such time as you are notified that the Commission has closed its file in this matter. See 18 U.S.C. § 1519.

If you have any questions, please contact Leonard Evans, the attorney handling this matter, at (202) 694-1650. In the meantime, this matter will remain confidential in accordance with 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public.

On behalf of the Commission,



Ellen L. Weintraub
Chair

Enclosures:

Factual and Legal Analysis: Sandra Jackson

1 **BEFORE THE FEDERAL ELECTION COMMISSION**

2 In the Matter of:)
3)
4 Sandra Jackson,) MUR 6766
5) (formerly Pre-MUR 554)
6 Respondent.)
7 _____)

8 **FACTUAL AND LEGAL ANALYSIS**¹

9 This matter concerns a scheme spanning seven years and involving more than 3,100
10 transactions that diverted approximately \$750,000 from Jesse Jackson, Jr. for Congress to pay
11 personal expenses of Congressman Jesse Jackson, Jr. and his wife, Chicago Alderman Sandra
12 Jackson. Over the years, Congressman Jackson's campaign committee paid for the Jacksons'
13 meals, groceries, designer clothing, travel, tickets, dry cleaning, home renovations, memorabilia,
14 and personal credit card bills. To prevent the Commission or the public from discovering or
15 questioning the scheme, Congressman Jackson and the treasurers of his campaign committee
16 filed materially false and misleading disclosure reports.

17 The available record — including the statement of facts supporting Congressman
18 Jackson's guilty plea in a criminal proceeding related to this scheme — provides substantial
19 evidence that, by participating in and covering up this scheme, Sandra Jackson, among others,
20 violated provisions of the Federal Election Campaign Act of 1971, as amended (the "Act"). The
21 Commission therefore finds reason to believe that she violated the Act as discussed below.

22 **I. FACTUAL SUMMARY**

23 In separate hearings on February 20, 2013, Congressman Jesse Jackson, Jr. and Sandra
24 Jackson entered guilty pleas to federal charges related to a \$750,000 personal-use scheme dating

¹ This matter was initiated based on information the Commission received in the course of carrying out its supervisory responsibilities. See 2 U.S.C. § 437g(a)(1).

1 back to 2005.² The Statement of Offense supporting Congressman Jackson's plea describes a
2 long-running scheme involving Congressman Jackson, his wife Sandra Jackson (referred to as
3 Co-Conspirator 1), former campaign treasurer Terri Jones (referred to as Person A), and former
4 campaign treasurer Vickie Pasley (referred to as Person B), among others, to divert funds from
5 Congressman Jackson's campaign committee, Jesse Jackson, Jr. for Congress, for his and Sandra
6 Jackson's personal use.³ Specifically, between approximately August 2005 and April 2012, the
7 Jacksons diverted approximately \$750,000 in campaign funds to pay for personal expenses.⁴
8 They obtained these funds through several means, including making direct expenditures from
9 campaign accounts, using campaign credit cards, and providing cash and campaign funds to
10 others so that they, in turn, could engage in transactions benefiting the Jacksons personally.⁵

11 They concealed this scheme by filing materially false and misleading disclosure reports
12 with the Commission.⁶ To do this, the Jacksons frequently directed Jones not to itemize personal

² Congressman Jackson pleaded guilty to conspiracy to commit mail and wire fraud and making false statements. See Plea Agreement at 1, *United States v. Jesse Jackson, Jr.*, 1:13-CR-58 (D.D.C. Feb. 20, 2013) (Dkt. Entry No. 8). Sandra Jackson pleaded guilty to filing false tax returns for failing to report as income the funds the Jacksons diverted from the Jackson Committee for their own use and benefit. See Plea Agreement at 1, *United States v. Sandra Jackson*, 1:13-CR-59 (D.D.C. Feb. 20, 2013) (Dkt. Entry No. 12). On August 14, 2013, the district court sentenced Congressman Jackson to 30 months imprisonment and ordered forfeiture of a money judgment totaling \$750,000 and specifically enumerated property traceable to the scheme. See Judgment at 2, 6, *United States v. Jesse Jackson, Jr.*, 1:13-CR-58 (D.D.C. Aug. 19, 2013) (Dkt. Entry No. 56). On that same date, the district court sentenced Sandra Jackson to 12 months imprisonment and ordered her to pay restitution of \$20,000 to the Internal Revenue Service. See Judgment at 2, 5, *United States v. Sandra Jackson*, 1:13-CR-59 (D.D.C. Aug. 19, 2013) (Dkt. Entry No. 45).

³ Although the Statement of Offense refers to them using pseudonyms, the identities of Sandra Jackson, Terri Jones, and Vickie Pasley are discernible from the references to their tenures at different times as treasurers to the Jackson Committee.

⁴ Statement of Offense ¶ 11.

⁵ *Id.*

⁶ *Id.* ¶ 13.

1 expenditures made on the campaign credit card.⁷ Other times, the Jacksons provided Jones with
2 false justifications for expenditures, causing her, in turn, to include that false information in the
3 campaign's disclosure reports.⁸ Filing the materially false and misleading disclosure reports,
4 "enabled the conspiracy to continue without detection for a lengthy period of time and without
5 the questions from regulators or the general public that likely would have ensued had truthful
6 and accurate reports and forms been filed."⁹

7 **A. Committee Credit Card Used to Pay Personal Expenses**

8 One method the Jacksons used to divert Jackson Committee funds for personal use was to
9 use the campaign committee's credit card to purchase a variety of personal goods and services,
10 including high-end electronics, furniture, memorabilia, designer clothing, travel, tickets, and
11 dinners.¹⁰ For example, on or about November 14, 2009, Sandra Jackson used the Committee's
12 credit card to purchase \$5,150 in fur capes and parkas from Edward Lowell Furrier, which
13 shipped them from Beverly Hills, California, to the Jacksons' home in Washington, D.C.¹¹ And
14 on or about November 27, 2008, Congressman Jackson charged \$5,687.75 to the Committee's
15 credit card to pay Martha's Vineyard Holistic Retreat for a member of Sandra Jackson's family
16 to attend a five-day retreat.¹²

7 *Id.*

8 *Id.*

9 *Id.* ¶ 15.

10 *See id.* ¶¶ 21-22, 24.

11 *Id.* ¶¶ 21-23.

12 *See id.* ¶¶ 21-22.

1 All told, between August 2005 and April 2012, the Jacksons used the Jackson
2 Committee's credit card to make approximately 3,100 personal purchases totaling approximately
3 \$582,772.58.¹³ Many of these transactions fall into the following general categories:¹⁴

Personal Expense Category	Amount
Restaurants, nightclubs, lounges	\$60,857.04
Airfare	\$31,700.79
Tobacco shops	\$17,163.36
Sports clubs and lounges	\$16,058.91
Dry cleaning	\$14,513.42
Grocery stores	\$8,046.44
Drug stores	\$6,095.15
Alcohol	\$5,814.43

4 The Jacksons were able to use the Jackson Committee credit card to make these purchases
5 because Congressman and Sandra Jackson each were identified as card members on the
6 account.¹⁵

7 **B. Direct Expenditures of Jackson Committee Funds for Personal Expenses**

8 The Jacksons also made expenditures directly from the Jackson Committee's bank
9 account to purchase personal items and pay down personal credit card balances. Between July

¹³ See *id.* ¶ 25.

¹⁴ *Id.* ¶ 24.

¹⁵ *Id.* ¶ 20.

- 1 2007 and July 2011, Congressman Jackson used this method to divert approximately \$57,793 in
- 2 Jackson Committee funds to his personal use.¹⁶

Expenditure Date	Amount	Personal Use
July 10, 2007	\$43,350	Purchase gold-plated Rolex watch
September 13, 2007	\$2,000	Pay down personal credit card balance
September 14, 2007	\$2,457.16	Pay down personal credit card balance
October 12, 2007	\$4,355.49	Pay down personal credit card balance
October 9, 2009	\$1,640.25	Pay down personal credit card balance
December 24, 2009	\$1,271.16	Pay down personal credit card balance
July 7, 2011	\$2,718.77	Pay down personal credit card balance

- 3 Congressman Jackson was able to make these direct expenditures because he personally opened
- 4 the bank account and was the only person with signatory authority on the account.¹⁷

5 C. Funneled Committee Funds Through Others to Pay Personal Expenses

- 6 Another means of diverting Jackson Committee funds involved funneling funds through
- 7 conduits who then carried out transactions benefiting the Jacksons. For example, in one such
- 8 transaction, on or about March 17, 2006, Congressman Jackson directed the Committee to issue
- 9 a \$36,000 check to Sandra Jackson's consulting business for billboard expenses.¹⁸ A week later,

¹⁶ See *id.* ¶¶ 16-19.

¹⁷ See *id.* ¶ 16.

¹⁸ See *id.* ¶ 26. In 2001, Congressman Jackson requested an Advisory Opinion concerning the application of the Act and Commission regulations to his plan to hire Sandra Jackson as consultant to the Committee. See AO 2001-10 (Jesse Jackson, Jr.) (July 17, 2011). The Commission explained that salary payments to family members are permissible "where they are payments for *bona fide*, campaign-related services" and that such payments may not exceed fair market value for the service. *Id.* at 3 (quoting 11 C.F.R. § 113.1(g)(1)(i)(H)). Because the transactions here do not represent "*bona fide*, campaign-related services," that advisory opinion does not shield Jackson from "sanction provided by [the] Act." 2 U.S.C. § 437f(c)(2).

1 Sandra Jackson deposited the check into her business's account.¹⁹ And a week after that, she
2 transferred the \$36,000 proceeds to an account she and Congressman Jackson controlled even
3 though neither she nor Congressman Jackson had incurred expenses on behalf of the campaign
4 that would entitled them to this \$36,000 payment.²⁰ Nevertheless, they then used nearly all of
5 these funds to pay down personal debts.²¹

6 In another series of transactions, Terri Jones was the intermediary, using her personal
7 checking account as a pass-through to conduct transactions for the Jacksons' personal benefit
8 using Committee funds. From in or about October 2008 through in or about March 2012, the
9 Jackson Committee issued approximately \$76,150.39 in checks to Jones, even though she had
10 performed work for the Committee entitling her to only about \$11,409.²² She used nearly all of
11 the remainder, under Congressman Jackson's direction, for transactions to benefit the Jacksons
12 personally.²³

13 In at least four instances, she issued checks from the Committee account to her personal
14 account to provide sufficient funds for her to write personal checks to Congressman Jackson.²⁴

19 *Id.* ¶ 27.

20 *Id.* ¶ 28.

21 *See id.* ¶¶ 28-29.

22 *Id.* ¶ 30.

23 *Id.*

24 *Id.* ¶ 32.

Committee Check Issued to Jones	Amount	Jones Personal Check Issued to Congressman Jackson	Amount
October 14, 2008	\$9,000 ²⁵	October 15, 2008	\$6,500 ²⁶
March 4, 2009	\$4,000	March 4, 2009	\$3,500
August 1, 2011	\$6,300	August 1, 2011	\$4,000
March 22, 2012	\$4,730.39 ²⁷	March 5, 2012	\$1,700

1 In six other instances, Jones received about \$16,400 in cash from Congressman Jackson²⁸
2 and about \$6,730 in checks from the Committee that she deposited into her personal checking
3 account to provide sufficient funds for her to write personal checks totaling about \$21,211 to pay
4 down the Jacksons' personal credit card debt.²⁹

²⁵ As the table shows, from this amount, Jones made a payment of \$6,500 to Congressman Jackson on October 15, 2008. The remainder was used to pay a contractor for work performed on the Jacksons' Washington, D.C., home. See *infra* p.8.

²⁶ Jones made this payment to Congressman Jackson in cash. The other payments were made by check. See Statement of Offense at n.3.

²⁷ The remainder was used for another transaction to personally benefit the Jacksons. See *infra* n.30.

²⁸ Congressman Jackson has claimed that this cash was given to him by family members. Statement of Offense ¶ 35.

²⁹ *Id.* ¶ 35.

Jones Deposit Date	Amount	Form	Jones Personal Check Issued to Pay Jacksons' Creditors	Amount
January 18, 2011	\$4,500	Cash	January 21, 2011	\$4,500
March 9, 2011	\$4,800	Cash	March 16, 2011	\$4,800
April 13, 2011	\$3,500	Cash	April 18, 2011	\$3,500
July 26, 2011	\$3,600	Cash	July 29, 2011	\$3,600
February 16, 2012	\$2,000	Check	February 18, 2012	\$2,000
March 22, 2012	\$4,730.39	Check	March 22, 2012	\$2,810.91 ³⁰

1 In numerous other instances between October 2008 and September 2011 Jones received
2 payments from the Committee totaling approximately \$30,750.³¹ She deposited these payments
3 into her personal account and then used the funds to issue approximately \$26,347 in personal
4 checks to multiple contractors who performed work on the Jacksons' Washington, D.C., home.³²
5 In each instance, Congressman Jackson instructed Jones to issue a Committee check to herself
6 and then to use the funds to pay the contractors.³³

7 Similarly, in 2011, at Congressman Jackson's direction, Jones received Committee funds
8 that she then used to pay the cost of two mounted elk heads from a taxidermist.³⁴

³⁰ See *supra* n.27.

³¹ Statement of Offense ¶ 36.

³² *Id.*

³³ *Id.*

³⁴ *Id.* ¶ 38.

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Committee Check Issued to Jones	Amount	Jones Personal Check Issued to Taxidermist	Amount
March 14, 2011	\$3,005 ³⁵	March 14, 2011	\$3,000 ³⁶
March 29, 2011	\$3,500	April 1, 2011	\$3,000
April 21, 2011	\$1,500	April 21, 2011	\$1,053

1 Then, in August 2012, Sandra Jackson instructed Jones to sell the mounted elk heads.³⁷ Jones
2 arranged the transaction and, with Sandra Jackson's approval, sold the elk heads for \$5,300,
3 which was less than their original purchase price.³⁸ At Sandra Jackson's direction, the proceeds
4 of this sale then were wired to the Jacksons' personal account.³⁹

5 In another series of transactions, Person C, one of Congressman Jackson's staff members,
6 received \$3,700 in cash from Congressman Jackson on or about September 8, 2009.⁴⁰
7 Immediately after depositing this cash into Person C's checking account and at Congressman
8 Jackson's direction, Person C issued a check in the amount of \$2,000 to pay down the Jacksons'
9 personal credit card debt.⁴¹ About one month later, on or about October 13, 2009, Congressman
10 Jackson gave Person C \$4,500 in cash.⁴² After depositing this cash and at Congressman

³⁵ This amount was provided by Congressman Jackson to Jones in cash. *Id.* Congressman Jackson has claimed that this cash was given to him by family members. *Id.*

³⁶ This payment was made using a cashier's check instead of a personal check. Jones used the remaining \$5 to pay the cashier's-check fee. *Id.*

³⁷ *Id.* ¶ 46.

³⁸ *Id.*

³⁹ *Id.*

⁴⁰ Congressman Jackson has claimed that this cash was given to him by family members. *Id.* ¶ 47.

⁴¹ *Id.* ¶¶ 47-48.

⁴² Congressman Jackson has claimed that this cash was given to him by family members. *Id.* ¶ 49.

1 Jackson's direction, Person C used Person C's debit card to make two payments totaling \$5,500
2 to purchase a guitar used by Michael Jackson and Eddie Van Halen, which then was shipped to
3 Congressman Jackson's Congressional office.⁴³ Person C presumably kept the remaining \$700.
4 And in April 2010, Congressman Jackson gave Person C \$6,400 in cash, which Person C used to
5 obtain two \$3,200 cashier's checks made out to a private school in Chicago and listing the
6 purchaser as Sandra Jackson.⁴⁴

7 **D. Corporate Contributions Benefitted the Jacksons Personally**

8 The Jacksons also benefitted personally from payments made by other individuals. For
9 example, on or about April 15, 2011, Person F, the owner of an Alabama company, issued a
10 \$25,000 check from a corporate account controlled by Person F to pay down the Jacksons'
11 personal credit card debt.⁴⁵ Similarly, on or about May 5, 2009, Person E, the owner of an
12 Illinois consulting firm, issued a \$3,500 check from a corporate account controlled by Person E
13 to pay down the Jacksons' personal credit card debt.⁴⁶

14 **E. Other Contributions Benefitted the Jacksons Personally**

15 Person D received a total of \$15,000 in cash from Congressman Jackson between on or
16 about August 21, 2009, and September 3, 2009.⁴⁷ At Congressman Jackson's direction, Person
17 D then issued three checks between on or before August 26, 2009, and October 1, 2009, totaling

⁴³ *Id.* ¶¶ 51-52.

⁴⁴ *Id.* ¶ 53.

⁴⁵ Statement of Offense ¶ 57.

⁴⁶ *Id.* ¶ 55.

⁴⁷ Congressman Jackson has claimed that this cash was given to him by family members. *Id.* ¶ 54.

1 \$16,500, to pay down the Jacksons' personal credit card debt.⁴⁸ Person D thus made a net
2 payment of \$1,500 for Congressman Jackson's personal credit card debt.⁴⁹

3 **F. False Disclosures to Conceal the Scheme**

4 To enable and prolong the scheme, the Jacksons directed that materially false and
5 misleading disclosure reports be filed with the Commission between in or about August 2005
6 and in or about July 2012. To conceal the Jacksons' personal expenditures using the
7 Committee's credit card, the Jacksons directed the Committee's treasurer not to itemize personal
8 expenditures made on the campaign credit card.⁵⁰ Other times, the Jacksons provided false
9 justifications for expenditures, causing that false information to be included in the campaign's
10 disclosure reports.⁵¹ The Committee's treasurer then submitted disclosure reports containing
11 materially false and misleading statements.⁵² For example, on or about January 23, 2009, Pasley
12 filed a disclosure report stating that the Committee spent \$387.04 on November 22, 2008, at
13 Costco for "Food for Campaign Staff Holiday dinner."⁵³ In truth, however, Sandra Jackson used
14 this Committee funds to purchase bathrobes and other items for the Jacksons' personal use.⁵⁴
15 Filing the materially false and misleading disclosure reports, "enabled the conspiracy to continue

⁴⁸ *Id.* ¶ 54.

⁴⁹ This net payment was made at Congressman Jackson's direction, and there is no information to suggest that it would have been made irrespective of Congressman Jackson's candidacy. Because paying a candidate's personal expenses constitutes a contribution unless the payment would have been made irrespective of the candidacy, 11 C.F.R. § 113.1(g)(6), Person D's \$1,500 payment is subject to the individual contribution limits. *See* Advisory Op. 2000-08 (Harvey) (gifts to candidates for personal use are subject to the Act's individual contribution limits).

⁵⁰ Statement of Offense ¶ 59.

⁵¹ *Id.*

⁵² *Id.*

⁵³ *Id.*

⁵⁴ *Id.*

1 without detection for a lengthy period of time and without the questions from regulators or the
2 general public that likely would have ensued had truthful and accurate reports and forms been
3 filed.”⁵⁵

4 **G. Notice and Response**

5 On March 21, 2013, the Office of General Counsel provided notice of this matter to
6 Sandra Jackson, but she did not respond.

7 **II. LEGAL ANALYSIS**

8 Congressman Jackson has admitted that he and others participated in a plan to divert
9 Jackson Committee funds for the Jacksons’ personal use and benefit. Using a variety of
10 methods, the Jacksons ultimately diverted approximately \$750,000 in Committee funds to pay
11 for a variety of personal goods and services. This scheme was then concealed filing materially
12 false and misleading disclosures. In light of this and the other available information, the
13 Commission makes the following reason-to-believe findings.⁵⁶

14 **A. There Is Reason to Believe Sandra Jackson Diverted Committee Funds for**
15 **the Jacksons’ Personal Use**

16 Candidates and their committees have wide discretion in making expenditures to
17 influence the candidate’s election, but the Act and Commission regulations prohibit any person
18 from converting contributions or donations to personal use.⁵⁷ “Personal use” refers to “any use
19 of funds in a campaign account of a present or former candidate to fulfill a commitment,

⁵⁵ *Id.* ¶ 15.

⁵⁶ See Statement of Policy Regarding Commission Action in Matters at the Initial Stage in the Enforcement Process, 72 Fed. Reg. 12,545 (Mar. 16, 2007) (“RTB Policy”) (“The Commission will find ‘reason to believe’ in cases where the available evidence in the matter is at least sufficient to warrant conducting an investigation, and where the seriousness of the alleged violation warrants either further investigation or immediate conciliation.”).

⁵⁷ 2 U.S.C. § 439a(b); 11 C.F.R. § 113.1(g).

1 obligation or expense of any person that would exist irrespective of the candidate's campaign or
2 duties as a Federal officeholder."⁵⁸ Whether certain uses of committee funds — such as legal,
3 meal, travel, or certain vehicles expenses — are personal use depends on the case-specific facts
4 and circumstances.⁵⁹ In such cases, "If the candidate can reasonably show that the expenses at
5 issue resulted from campaign or officeholder activities, the Commission will not consider the use
6 to be personal use."⁶⁰ Other uses of committee funds, however, are personal use *per se* — for
7 example, tuition payments, household food items, health club dues, clothing purchases, and
8 home mortgage, rent, or utilities payments.⁶¹

9 Here, Congressman Jackson's admissions leave no doubt that, through a variety of
10 means, the Jacksons used Committee funds for all manner of personal uses — including many
11 *per se* personal uses — over an extended period of time. Between August 2005 and April 2012,
12 the Jacksons used the Jackson Committee credit card to make approximately 3,100 personal
13 purchases — including meals and entertainment, travel, and household items — totaling
14 approximately \$582,773. Between July 2007 and July 2011, Congressman Jackson made direct
15 expenditures of \$57,793 in Committee funds to purchase a Rolex watch and pay down personal
16 credit card debt. And between 2006 and 2012, the Jacksons, with Jones participating as an
17 intermediary, diverted Committee funds and otherwise disguised transactions involving
18 approximately \$100,741 used to pay down personal credit card debt, pay for home renovations,

⁵⁸ 11 C.F.R. § 113.1(g).

⁵⁹ *Id.* § 113.1(g)(1)(ii).

⁶⁰ See Final Rule and Explanation and Justification, Personal Use of Campaign Funds, 60 Fed. Reg. 7,862, 7,867 (Feb. 9, 1995) ("Personal Use E&J").

⁶¹ 2 U.S.C. § 439a(b)(2); 11 C.F.R. § 113.1(g)(1)(i).

1 and purchase elk heads. All of these uses involved funds diverted from the Jackson Committee
2 that benefitted the Jacksons personally.⁶² The Commission therefore finds reason to believe that
3 Sandra Jackson violated the Act and Commission regulations by diverting Jackson Committee
4 funds for the Jacksons' personal use and benefit.⁶³

5 **B. Sandra Jackson's Misconduct Was Knowing and Willful**

6 A violation of the Act is knowing and willful if the "acts were committed with full
7 knowledge of all the relevant facts and a recognition that the action is prohibited by law."⁶⁴
8 Knowledge and willfulness may be shown by direct or circumstantial evidence that a respondent
9 "acted voluntarily and was aware that his conduct was unlawful."⁶⁵ For example, a respondent's
10 voluntary participation in a scheme to disguise or conceal the recipients and purposes of
11 disbursements, as well as the sources of contributions, indicates that the misconduct was
12 knowing and willful.⁶⁶ As the Fifth Circuit noted in *Hopkins*, "It has long been recognized that
13 'efforts at concealment [may] be reasonably explainable only in terms of motivation to evade'
14 lawful obligations."⁶⁷

15 Here, the Jacksons used a variety of means and involved others to conceal the scheme to
16 divert Committee funds to their personal use and benefit. For example, they used Jones as a

⁶² See, e.g., MUR 5895 (Meeks for Congress) (2008) (finding candidate and committee violated Act by, *inter alia*, using committee funds to pay down personal credit card debt, pay for personal trainer, and pay vehicle expenses).

⁶³ 2 U.S.C. § 439a; 11 C.F.R. § 113.1(g).

⁶⁴ 122 Cong. Rec. 12,197, 12,199 (May 3, 1976).

⁶⁵ *United States v. Danielczyk*, 917 F. Supp. 2d 573, 579 (E.D. Va. 2013) (citations omitted).

⁶⁶ Cf. *United States v. Hopkins*, 916 F.2d 207, 214-15 (5th Cir. 1990). *Hopkins* involved a conduit contributions scheme, and the issue before the Fifth Circuit concerned the sufficiency of the evidence supporting the defendants' convictions for conspiracy and false statements under 18 U.S.C. §§ 371 and 1001.

⁶⁷ *Id.* at 214 (quoting *Ingram v. United States*, 360 U.S. 672, 679 (1959)).

1 pass-through to disguise the true recipients and purposes of Committee disbursements. They
2 also directed Jones and Pasley to prepare and file materially false and misleading disclosure
3 reports to "enable[] the conspiracy to continue without detection for a lengthy period of time."⁶⁸
4 This demonstrates that the Jacksons well knew their conduct was unauthorized and illegal. The
5 Commission therefore finds reason to believe that the Sandra Jackson's violations of the Act and
6 Commission regulations were knowing and willful.

7 **III. CONCLUSION**

8 For the reasons discussed above, the available information — and in particular the factual
9 basis supporting Congressman Jackson's guilty plea — credibly sets forth facts supporting a
10 reason to believe that Sandra Jackson participated in significant violations of the Act and
11 Commission regulations.